

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 — 0 0 2

2. STATE:

Arizona

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

May 01, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1931 of the Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2001/2002 \$ 0

b. FFY 2002/2003 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 12 to Attachment 2.6-A
pages 2 and 3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement 12 to Attachment 2.6-A,
pages 2 and 3

10. SUBJECT OF AMENDMENT:

Elimination of the 2nd and 3rd month earned income disregard

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Lynn Dunton

13. TYPED NAME:

Lynn Dunton

14. TITLE:

Assistant Director

15. DATE SUBMITTED:

March 4, 2002

16. RETURN TO:

AHCCCS

801 East Jefferson Street, Mail Drop
4200

Phoenix, Arizona 85034

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

March 11, 2002

18. DATE APPROVED:

May 15, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

May 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Linda Minamoto

21. TYPED NAME:

Linda Minamoto

22. TITLE: Associate Regional Administrator
Division of Medicaid

23. REMARKS:



Jane Dee Hull
Governor

Phyllis Biedess
Director

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
Committed to Excellence in Health Care

March 4, 2002

REC'D
DIVISION OF MEDICAID
MAR 11 1 57 PM '02

Linda Minamoto
Associate Regional Administrator
Division of Medicaid
Centers for Medicare and Medicaid Services
75 Hawthorne Street, 5th Floor
San Francisco, California 94105

Dear Ms. Minamoto:

Enclosed is State Plan Amendment (SPA) 02-002 which updates Supplement 12 to Attachment 2.6-A, pages 2 and 3. This SPA eliminates the 2nd and 3rd month earned income disregard.

The effective date of this SPA is May 1, 2002.

If you have any questions about the enclosed SPA, please contact me at (602) 417-4447.

Sincerely,

Lynn Dunton
Assistant Director
Office of Policy Analysis and Coordination

c: Ron Reepen
Patty Campbell
File

Enclosure

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

X The agency uses the following less restrictive income and/or resource methodologies. These methodologies are less restrictive than those in effect on July 16, 1996.

1. The \$90 cost of employment and \$30 and 1/3 earned income disregard will be allowed, with no time limit.
2. Dependent child's earned income will be totally disregarded provided the child is enrolled at least half the time in any recognized elementary, secondary, or post secondary school.
3. Dependent care deductions will be allowed as billed not to exceed the Title IV-A standard that was in place as of July 1996.
4. Exclude all resources.
5. The Fair Labor Standard Act "FLSA Supplement Income" payment by the State's TANF agency to Temporary Assistance to Needy Families (TANF) recipients engaging in uncompensated work activity, is disregarded as income.
6. The one time lump sum TANF grant diversion payment is disregarded as income and as resources.
7. Eliminate the shelter cost factor when applying the income standard for the family size, thereby using the highest standard.
8. For applicants who meet the needs test and for all recipients, apply the existing \$30 and 1/3 earned income disregards or for all applicants and recipients, an income disregard equal to the difference between the income standard and 100% of the Federal Poverty Level for the family size, adjusted annually, plus one dollar, whichever is greater. Income eligibility will be calculated as follows:
 - a. Starting with the family's countable unearned and earned income, subtract from the earned income, the earned income disregards of \$90 cost of employment, \$30 and 1/3 of the remainder and appropriate dependent care expenses and compare the family's total net amount to 36% of the 1992 FPL income standard. If the net amount is less than the standard, the family is eligible under Section 1931 of the Social Security Act. If the net amount equals or exceeds the standard, complete a second step.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

- b. Use the same methodology except for the \$30 and 1/3 earned income disregard, apply the 100% FPL income disregard to the family's net unearned and earned income and compare the net income amount to the income standard. If the net amount is less than the standard, the family is eligible under Section 1931 of the Social Security Act.

The state does not use the income and/or resource methodologies listed below. These were the methodologies used on July 16, 1996. This list is for historical purposes. Please see page 2 of this supplement for current list of income and/or resource methodologies used by the state.

1. The time limited \$30 and 1/3 earned income disregard.
2. Part-time students are eligible for disregard only if working part-time.
3. Dependent care deductions are allowed as paid not to exceed the Title IV-A standard that was in place as of July 1996.
4. \$2,000 resource standard.
5. None. This supplement payment was first implemented by the State's TANF agency in July 1999.
6. None. The TANF Grant Diversion program was first implemented by the state in October 1999.
7. In effect as of July 16, 1996, the income standard was adjusted for a shelter cost factor.
8. In effect as of July 16, 1996, there was no additional income disregard if the family's net income, after applying all appropriate income disregards, met or exceeded the income standard.

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

- X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.